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Memorandum

To: Bureau of the Public Debt

From: Marty Margolis, Michael Harris, Steve Wisloski, Cory Piette, *Public Financial Management, Inc.*

Re: Docket Number BPD-02-04
Comments to Proposed Changes to 31 CFR Part 344 (the "SLGS Regulations")

We have reviewed the Notice of Proposed Rulemaking (NPRM) regarding State and Local Government Series (SLGS) securities. In general, we believe the proposed regulations will achieve the Department of the Treasury's (Treasury) stated goal of eliminating the cost-free option to issuers, reducing administrative burden, providing for more efficient Treasury financing and reducing costs to the Federal taxpayer. However, we believe several items in the proposed regulations are unnecessary to achieve Treasury's goals, or otherwise are much more harmful to issuers than they are helpful to Treasury. We also believe Treasury would assist municipal issuers by clarifying several items that are not explicitly addressed in the proposed regulations.

This memorandum details our comments to the proposed regulations. Specifically, we believe that Treasury should:

1. Remove the yield certification requirement;

2. Clarify the conditions under which an issuer is "authorized" to issue bonds;

3. Maintain administration of SLGS via facsimile or mail for SLGS subscribed for prior to the effective date of the proposed regulations;

4. Maintain the 10:00 p.m. Eastern Time cutoff for SLGS subscriptions as currently permitted on SLGSafe™; and

5. Remove the limitation of SLGS purchases to gross proceeds of bond issues.

We discuss each of these items in greater detail below, including our rationale for changes or clarifications, as applicable, and then provide our suggested changes. We have chosen to address in detail several key items of a technical nature that do not merely limit flexibility, but remove it entirely. That said, we understand that other parties have commented on the proposed prohibition against cancellations, changes the issue date, and changes to par amounts in excess of 10%. We agree that proposed changes in these areas will limit issuers' flexibility, but believe other parties have provided significant comments for Treasury to consider.

1. Removal of proposed yield certification requirement.
Based upon the comments in the NPRM, we believe Treasury has proposed the yield certification requirement to address the cost-free option provided by SLGS, and specifically to prevent issuers from realizing risk-free arbitrage profits by executing restructurings from SLGS to replacement SLGS, and between SLGS and marketable securities. We think this is unnecessary and burdensome since we believe Treasury will

substantially eliminate the cost-free option by prohibiting cancellations of SLGS subscriptions, and by posting SLGS rates at 10:00 a.m. Eastern Time. Further, there are myriad legitimate reasons unrelated to the cost-free option why issuers should be allowed to earn a higher yield when redeeming or subscribing for SLGS. Requiring the certification would have the collateral effect of further complicating efforts to comply with other requirements of the arbitrage regulations, or remove opportunities that issuers have to earn additional income that fully comply with the arbitrage regulations and do not exploit the cost-free option.

The cost-free option that exists under the current SLGS regulations comprises two parts, one that is "multi-day" and spans 53 or 55 days (for subscriptions in excess of $10 million, or for $10 million or less, respectively), and one that is "intra-day" or confined to a period of hours each day when marketable securities are available for purchase or sale. The first arises from an issuer's ability to subscribe for SLGS up to 60 days in advance of the issue date, then cancel the existing subscription and re-subscribe if interest rates rise without limitation until seven or five days prior to the issue date. This first part of the cost-free option enables issuers to lock in the highest SLGS rates available between 60 and seven or five days prior to the issue date. Removing the ability to cancel subscriptions eliminates this component of the cost-free option; issuers will have no economic incentive to subscribe for SLGS prior to the pricing date of the related bond issue, because rates are just as likely to rise (and cause the issuer to forego higher-yielding investments) as to fall.

The second component of the cost-free option arises because SLGS rates are set at market close, based upon Treasury's cost of borrowing (i.e., the yield of marketable securities) less five basis points, on the day prior to the day the rates are posted. Since SLGS can be subscribed for until 11:59 p.m. Eastern Time, in theory SLGS rates can reflect marketable securities yields that are more than 30 hours old. In practice, marketable securities generally are available for purchase for approximately nine hours between 8:00 a.m. and 5:00 p.m. Eastern Time, so SLGS rates generally reflect seven and one-half hours of interest rates changes from one day to the next.

We believe setting SLGS rates at 10:00 a.m. will eliminate restructurings from existing SLGS into higher-yielding SLGS, because (as we discuss below), Treasury will be able to price SLGS after the market opens, and therefore adjust SLGS rates to account for most of the intra-day changes to interest rates. Issuers will not know with any degree of certainty where interest rates will reset the following morning, and issuers submitting SLGS redemptions with the expectation of re-subscribing for higher-yielding SLGS the following day will be subject to significant market risk. We find it difficult to believe that municipal issuers would consider interest rate speculation (as opposed to risk-free arbitrage) in this manner.

With respect to restructurings between SLGS and marketable securities, as noted above the "trading day" is approximately nine hours between 8:00 a.m. and 5:00 p.m., so setting SLGS rates at 10:00 a.m. and removing two hours reduces the option period by only about 22%. However, we believe the 10:00 a.m. posting will also eliminate the majority of restructurings between SLGS and marketable securities because most major economic releases, which tend to drive substantial intra-day interest rate changes, are announced prior to 10:00 a.m. Eastern Time. Specifically, since January 1, 2003, we estimate some 82% of intra-day market moves in excess of 0.10% or 10 basis points are as a result of these indicators; in fact, the only substantial economic releases that do not occur prior to 10:00 a.m. are the Federal Open Market Committee meeting minutes, and announcements with respect to the Federal Funds Rate. We use the figure of 10 basis points as an estimated minimum threshold whereby an issuer might earn arbitrage profit after accounting for Treasury's five basis point charge for SLGS redemptions, plus the issuer's cost of legal, verification, advisory and trustee services. We have included our analysis of yield changes of the 2-Year U.S. Treasury Note as **Appendix A** hereto; we selected the 2-Year Note because its duration is similar to that of many defeasance escrows.

To summarize, then, we believe Treasury will eliminate almost 100% of restructurings from SLGS to replacement SLGS, and at least 82% of restructurings between SLGS and marketable securities, by posting SLGS rates at 10:00 a.m. Assuming that roughly half of all restructurings are between SLGS only, and the other half are between SLGS and marketable securities, we then conclude Treasury will eliminate over 90% of all restructurings facilitated by the cost-free option. In practice, we believe restructurings using only SLGS account for considerably more than half of all restructurings, and therefore Treasury will eliminate well above 90% of the intra-day component of the cost-free option; this is in additional to near 100% elimination of the multi-day component of the option.

Since Treasury will likely eliminate almost all of the cost-free option through other provisions, we believe Treasury should not add a further requirement of yield certification, which will prohibit many legitimate restructurings and other purchase and sales that are not dependent upon the cost-free option. In the case of yield restricted defeasance escrows, we believe it is especially important for issuers to be able to restructure out of SLGS, since in many cases issuers elect to purchase SLGS initially (and in many cases at higher cost than marketable securities) in order to automatically comply with the safe harbor under Treasury Regulations §1.148-5(d)(6)(iii)(C)(2)(ii). To the extent issuers are required, or elect, to purchase SLGS at yields below the related restricted yield for arbitrage purposes, then the yield certification requirement effectively "locks issuers in" to negative arbitrage. We assert that Treasury is not justified in forcing issuers to "live with" sub-optimal investments as measured by the arbitrage regulations.

There are innumerable circumstances under which the yield certification requirement will deprive issuers of flexibility that is afforded them when buying and selling marketable securities, and that otherwise do not take advantage of the cost-free option. We thought it would be useful to provide several such examples whereby issuers should, in our view, be allowed to earn higher yield by either redeeming or subscribing for SLGS:

Example 1: Redeeming SLGS and purchasing zero coupon securities (e.g., T-STRIPS, Refcorp STRIPS, AID Bonds, etc.). Issuers often are able to restructure from coupon-bearing SLGS securities into zero coupons because the latter have longer durations. The steeper the yield curve, the greater the yield of zero coupon securities above coupon-bearing securities with similar final maturity dates. This is not in any way a function of the cost-free option.

Example 2: Redeeming SLGS and purchasing Federal Agency securities. Issuers may be able to restructure from SLGS, which are direct obligations of the Treasury, into obligations of government sponsored enterprises or other "lower" credits. We note this example was cited in the NRPM, and that Treasury believed it would be too difficult to determine the component of value that was due to the cost-free option, and that which was due to credit. As cited above, we believe that when SLGS rates are posted at 10:00 a.m., Treasury will eliminate the cost-free option in over 90% of the cases, and can assume that almost all benefit of a restructuring of this type is due to the credit differential.

Example 3: Redeeming SLGS and purchasing newly-issued securities. Issuers often are able to restructure from SLGS into marketable securities that are some combination of higher-yielding or otherwise more date-efficient because they are newly issued; the most common examples in the current market are the monthly end-of-month 2-Year and mid-month 5-Year Treasury Notes.

Example 4: Redeeming SLGS and purchasing "cheap" securities, or selling "rich" securities and purchasing SLGS. Issuers often are able to restructure from SLGS into securities that are higher-yielding because they are trading "cheap" or significantly above the yields of securities with a similar maturity date. Likewise, issuers can sell securities that are trading "rich," at an unusually high price and low yield, and purchase SLGS. Common examples are principal and interest T-STRIPS, which sometime trade at yield differentials of 2-5bps if brokers need one or the other to reconstitute coupon-bearing Treasury securities.

Example 5: Selling existing open market securities in a bond fund or debt service reserve fund, and purchasing SLGS for a refunding escrow. Revenue bond issuers usually are required by their indentures to maintain debt service or bond funds, and debt service reserve funds. When revenue bond issues are refunded, the arbitrage regulations provide for specific expenditures of bond funds and debt service reserve funds in escrows. Bond funds typically are invested in money market funds or short-term marketable securities, and, when contributed to escrows, often are invested in SLGS and at higher yields. While debt service reserve funds typically are invested in longer-term securities, they are also spent in escrows on a pro-rata basis with bonds proceeds. As such, marketable securities in reserve funds often are liquidated and reinvested in SLGS at higher yields.

Example 6: Redeeming zero SLGS and reinvesting in coupon-bearing SLGS or marketable securities. Issuers with refunding escrows often anticipate future purchases of zero SLGS reinvestments. Under these circumstances, it is often the case that issuers will realize negative arbitrage in a related fund (e.g., a project fund that has not been fully expended at the end of its temporary period), and be able to redeem existing zero SLGS and purchase coupon-bearing SLGS or marketable securities to realize additional interest earnings.

Example 7: Redeeming SLGS from a yield-restricted project fund. It is possible for an issuer to purchase SLGS for a yield-restricted project fund, redeem SLGS for anticipated expenditures, but not spend all of the proceeds immediately. Remaining small balances may be invested in a money market fund or other temporary marketable instrument that could be higher-yielding than the redeemed SLGS.

The yield certification requirement will also increase compliance costs for issuers. This provision effectively imposes an additional yield restriction requirement beyond the existing yield restriction and arbitrage rebate requirements. It is conceivable that issuers feel obligated to obtain costly verification reports and legal opinions regarding subscriptions or redemptions of SLGS prior to maturity.

> **Suggested changes:** Remove or amend all or portions of the following sections in the proposed regulations:
>
> 1. §344.2(e)(3)(i) and (ii) – remove these sections entirely.
>
> 2. §344.2(f)(1)(ii) and (iii) – remove these sections entirely.
>
> 3. §344.2(f)(2)(iii) – remove the sentence "This practice violates the yield gain prohibition in paragraph (f)(1)(ii) and is prohibited" and replace with "This transaction is permitted."
>
> 4. §344.5(e)(5) – remove this section entirely.
>
> 5. §344.6(c) – remove the sentence "Upon submission of a request of a redemption before maturity of a security subscribed for on or after the date of publication of the final rule, the request must include the yield certification under §344.2(e)(3)."

2. Expand definition of "authorization" for a bond issue.
Many municipal issuers do not formally authorize a bond issue until after the bond sale. In Pennsylvania, for example, local government bond issues are authorized at meetings of the governing board the evening after

the bond sale. In this case, SLGS would be unavailable until the following day, and investment rates subject to market risk until that time.

> **Suggested change:** Clarify or amend §344.2(e)(2) and §344.7(b)(7) to allow issuers to subscribe for SLGS on the sale date of the bond issue, or provide other forms of evidence, such as drafting of a preliminary official statement or indenture or other authorizing document, releasing a notice of sale, or signing a bond purchase contract as evidence of likelihood of completion of the bond issue.

3. Maintain the 10:00 p.m. Eastern Time cutoff for SLGS subscriptions on SLGSafe™.
We understand this proposed change was driven by the Bureau of the Public Debt's (BPD) Special Investments Branch receiving hundreds of late-night SLGS subscriptions on days interest rates fell substantially, causing considerable administrative burden for BPD's analysts. We note, however, that with the prohibition of cancellations of SLGS subscriptions, issuers will have little incentive to lock in SLGS rates prior to the pricing date of their bonds. We further believe that mandatory use of SLGSafe™ will eliminate much of the related administrative burden to BPD of manual data entry from facsimiles. Finally, it remains the case that a 6:00 p.m. Eastern Time cutoff is simply unfair to issuers in the Pacific, Alaskan or Hawaii-Aleutian time zones. Therefore, we believe that allowing SLGS subscriptions until 10:00 p.m. Eastern Time, as currently allowed on SLGSafe™, is an accommodation that Treasury can afford to grant to municipal issuers.

> **Suggested change:** Change the applicable phrase in §344.3(g) to read "no earlier than 10:00 a.m. and no later than 10:00 p.m."

4. Allow redemptions via facsimile of SLGS not originally subscribed for on SLGSafe™.
Upon the effective date of the proposed regulations, we suspect that the majority of existing SLGS case numbers will not have been subscribed for, and therefore cannot be administered using SLGSafe™. Further, we note SLGSafe™'s current functionality does not allow redemptions by parties other than the owner or the trustee, even though most issuers request their advisors, bankers or counsel to conduct redemptions prior to maturity on their behalf.

> **Suggested change:** Revise §344.3(b) to allow owners of SLGS subscribed for prior to the effective date of the regulations, or their authorized agents, to administer SLGS via facsimile or mail.

5. Remove the limitation to gross proceeds.
We are concerned that the limitation to gross proceeds omits certain circumstances where issuers are subject to yield restriction (e.g., in instances where proceeds of taxable refunding issues become replacement proceeds of tax-exempt issues). While these circumstances are uncommon, we believe Treasury can maintain the current language that allows issuers to purchase SLGS to comply with the arbitrage regulations.

> **Suggested change:** Do not revise §344.0(a), or include language that allows issuers to purchase SLGS to comply with the arbitrage regulations.

In instances of suspected abuse, Treasury can apply the anti-abuse provisions under §344.2(m)(3) and (4).

Conclusion
We believe Treasury can achieve its stated goals by implementing certain elements of the proposed SLGS regulations that will improve administrative efficiency and effectively address the value that now exists in the cost-free option, without rolling back the flexibility that was added to the SLGS program with the release of the October 28, 1996 regulations. However, we fear that unless Treasury modifies certain of the provisions of

the proposed regulations, then issuers, for whom the SLGS program was originally created, will tend to avoid using the program going forward. This would be particularly troublesome to the extent that the greater use of open market securities increases the likelihood that issuers become more susceptible to unintentionally participating in yield burning or other unfair pricing schemes.

Should you have any questions regarding the contents of this memorandum, or require further elaboration upon any of the items reviewed herein, we are available at your convenience at (717) 232-2723. Thank you for your consideration.

Attachment

Appendix A - Intraday Yield Changes in Excess of 10bps of the 2-Year U.S. Treasury Note from January 1, 2003 through November 5, 2004

Obs. #	1	2	3	4	5	6	7	8	9	10
Date	01/02/03	01/09/03	03/13/03	03/21/03	03/24/03	04/30/03	05/06/03	05/16/03	06/03/03	06/25/03
Change	19.2 bps	14.6 bps	16.2 bps	12.5 bps	(13.2 bps)	(12 bps)	(10.5 bps)	(13.1 bps)	(12.8 bps)	17.3 bps
Time	8:30 AM	8:30 AM	8:30 AM	8:30 AM		10:00 AM	2:13 PM	8:30 AM	4:30 PM	8:30 AM
Indicator	Jobless Claims	Jobless Claims	Retail Sales	CPI		Greenspan Report	FOMC Rates	CPI	Vehicle Sales	Durable Goods
Time	10:00 AM		8:30 AM			10:00 AM		8:30 AM		10:00 AM
Indicator	ISM Manufacturing		Jobless Claims			Chicago Purchasing Manager		Housing Starts		Home Sales
Time								8:30 AM		2:15 PM
Indicator								Building Permits		FOMC Rates
Time								8:30 AM		
Indicator								U of M Confidence		
Time										
Indicator										
Time										
Indicator										
Time										
Indicator										
≤10:00 a.m.	Yes	Yes	Yes	Yes	No	Yes	No	Yes	No	No

Obs. #	11	12	13	14	15	16	17	18	19	20
Date	06/26/03	07/21/03	07/31/03	08/04/03	08/05/03	08/13/03	08/14/03	08/15/03	09/04/03	09/05/03
Change	11.2 bps	11.6 bps	11.2 bps	(13.6 bps)	15.3 bps	12.2 bps	(10.5 bps)	10.7 bps	(10.5 bps)	(18.6 bps)
Time	8:30 AM	10:00 AM	8:30 AM	10:00 AM	10:00 AM	8:30 AM	8:30 AM	8:30 AM	8:30 AM	8:30 AM
Indicator	GDP	Leading Indicators	GDP	Factory Orders	ISM Non-Manufacturing	Import Price Index	PPI	CPI	Nonfarm Productivity	Unemployment
Time	8:30 AM		8:30 AM			8:30 AM	8:30 AM	8:30 AM	8:30 AM	8:30 AM
Indicator	Personal Consumption		Personal Consumption			Retail Sales	Jobless Claims	Empire Manufacturing	Unit Labor Costs	Hourly Earnings
Time	8:30 AM		8:30 AM			10:00 AM	8:30 AM	9:15 AM	8:30 AM	8:30 AM
Indicator	Jobless Claims		Jobless Claims			Business Inventories	Trade Balance	Industrial Production	Jobless Claims	Payrolls
Time	2:00 PM		10:00 AM				2:00 PM	9:15 AM	10:00 AM	8:30 AM
Indicator	FOMC Minutes		Chicago Purchasing Manager				FOMC Minutes	Capacity Utilization	Factory Orders	Weekly Hours
Time									10:00 AM	
Indicator									ISM NonManufacturing	
Time										
Indicator										
Time										
Indicator										
≤10:00 a.m.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Obs. #	21	22	23	24	25	26	27	28	29	30
Date	09/30/03	10/03/03	10/16/03	10/28/03	10/30/03	11/13/03	11/19/03	12/05/03	12/11/03	01/06/04
Change	(13.5 bps)	15.2 bps	17.2 bps	(10 bps)	12.4 bps	(13 bps)	10.7 bps	(17.7 bps)	(11.3 bps)	(10.5 bps)
Time	10:00 AM	8:30 AM	8:30 AM	8:30 AM	8:30 AM	8:30 AM	8:30 AM	8:30 AM	8:30 AM	10:00 AM
Indicator	Consumer Confidence	Unemployment	CPI	Durable Goods Orders	GDP	Trade Balance	Housing Starts	Unemployment	Import Price Index	ISM Manufacturing
Time	10:00 AM	8:30 AM	8:30 AM	10:00 AM	8:30 AM	8:30 AM	8:30 AM	8:30 AM	8:30 AM	10:00 AM
Indicator	Chicago Purchasing Manager	Hourly Earnings	Jobless Claims	Consumer Confidence	Personal Consumption	Import Price Index	Building Permits	Hourly Earnings	Retail Sales	Factory Orders
Time		8:30 AM	8:30 AM	2:15 PM	8:30 AM	8:30 AM		8:30 AM	8:30 AM	4:30 PM
Indicator		Payrolls	Business Inventories	FOMC Rates	Employment Cost Index	Jobless Claims		Payrolls	Jobless Claims	Vehicle Sales
Time		8:30 AM	9:15 AM		8:30 AM			8:30 AM	10:00 AM	
Indicator		Weekly Hours	Industrial Production		Jobless Claims			Weekly Hours	Business Inventories	
Time		10:00 AM	9:15 AM		10:00 AM			10:00 AM	2:00 PM	
Indicator		ISM NonManufacturing	Capacity Utilization		Help Wanted Index			Factory Orders	FOMC Minutes	
Time			12:00 PM		2:00 PM			3:00 PM		
Indicator			Philadelphia Fed		FOMC Minutes			Consumer Credit		
Time			1:00 PM							
Indicator			NAHB Housing Market Index							
≤10:00 a.m.	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes

Obs. #	31	32	33	34	35	36	37	38	39	40
Date	01/09/04	01/28/04	03/05/04	04/02/04	04/13/04	04/20/04	04/23/04	04/29/04	05/07/04	06/14/04
Change	(16.2 bps)	17.4 bps	(15.3 bps)	21.8 bps	10.7 bps	13.3 bps	11.2 bps	10.3 bps	22.9 bps	12.5 bps
Time	8:30 AM	7:00 AM	8:30 AM	8:30 AM	8:30 AM	6:30 PM	8:30 AM	8:30 AM	8:30 AM	8:30 AM
Indicator	Unemployment	MBA Mortgage Apps	Unemployment	Unemployment	Retail Sales	ABC Consumer Confidence	Durable Goods	GDP	Unemployment	Trade Balance
Time	8:30 AM	8:30 AM	8:30 AM	8:30 AM	10:00 AM			8:30 AM	8:30 AM	8:30 AM
Indicator	Hourly Earnings	Durable Goods	Hourly Earnings	Hourly Earnings	Business Inventories			Personal Consumption	Hourly Earnings	Retail Sales
Time	8:30 AM	10:00 AM	8:30 AM	8:30 AM	2:00 PM			8:30 AM	8:30 AM	
Indicator	Payrolls	New Home Sales	Payrolls	Payrolls	Monthly Budget Statement			Employment Cost Index	Payrolls	
Time	8:30 AM	2:15 PM	8:30 AM	8:30 AM	6:30 PM			8:30 AM	8:30 AM	
Indicator	Weekly Hours	FOMC Rates	Weekly Hours	Weekly Hours	ABC Consumer Confidence			Jobless Claims	Weekly Hours	
Time			3:00 PM					10:00 AM	10:00 AM	
Indicator			Consumer Credit					Help Wanted Index	Wholesale Inventories	
Time									3:00 PM	
Indicator									Consumer Credit	
Time										
Indicator										
≤10:00 a.m.	Yes	No	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes

Obs. #	41	42	43	44	45	46	47	48	49	50
Date	06/15/04	06/28/04	06/30/04	07/02/04	07/16/04	08/06/04	08/10/04	09/03/04	10/08/04	11/05/04
Change	(19.1 bps)	12.9 bps	(13 bps)	(11.5 bps)	(10.8 bps)	(24.5 bps)	10.5 bps	13.1 bps	(11.4 bps)	14.8 bps
Time	8:30 AM	8:30 AM	7:00 AM	8:30 AM	8:30 AM	8:30 AM	8:30 AM	8:30 AM	8:30 AM	8:30 AM
Indicator	CPI	Personal Income	MBA Mortgage Apps	Unemployment	CPI	Unemployment	Nonfarm Productivity	Unemployment	Unemployment	Unemployment
Time	8:30 AM	8:30 AM	10:00 AM	8:30 AM	9:45 AM	8:30 AM	8:30 AM	8:30 AM	8:30 AM	8:30 AM
Indicator	Business Inventories	PCE	Chicago Purchasing Manager	Hourly Earnings	U of M Confidence	Hourly Earnings	Unit Labor Costs	Hourly Earnings	Hourly Earnings	Hourly Earnings
Time	8:30 AM		2:15 PM	8:30 AM		8:30 AM	2:15 PM	8:30 AM	8:30 AM	8:30 AM
Indicator	Empire Manufacturing		FOMC Rates	Payrolls		Payrolls	FOMC Rates	Payrolls	Payrolls	Payrolls
Time	9:45 AM			8:30 AM		8:30 AM	6:30 PM	8:30 AM	8:30 AM	8:30 AM
Indicator	U of M Confidence			Weekly Hours		Weekly Hours	ABC Consumer Confidence	Weekly Hours	Weekly Hours	Weekly Hours
Time	1:00 PM			10:00 AM		3:00 PM		10:00 AM	10:00 AM	3:00 PM
Indicator	NAHB Housing Market Index			Factory Orders		Consumer Credit		ISM NonManufacturing	Wholesale Inventories	Consumer Credit
Time	6:30 PM									
Indicator	ABC Consumer Confidence									
Time										
Indicator										
≤10:00 a.m.	Yes	Yes	No	Yes	Yes	Yes	No	Yes	Yes	Yes

Total number of observations of rate moves ≥ 10bps: 50

Total observations, significant indicators on/before 10:00 a.m.: 41

Percentage: 82%